James A. Watson Rear Admiral, USCG Federal On-Scene Coordinator

July 3, 2010

Dear Admiral Watson:

In compliance with the May 26, 2010, Dispersant Monitoring and Assessment Directive - Addendum 3 (the "Directive"), BP Exploration & Production Inc. ("BP") has eliminated the surface application of dispersants, except in cases where an exemption is requested and justified, and approved by the Federal On-Scene Coordinator.

Houma Unified Command had nine (9) spotter visual reports on 3 July from aircraft out of both Stennis and Houma Bases. These spotters were able to identify oil slicks, however, in the opinion of the spotters and the Aerial Dispersant Group, these oil slicks were not of sufficient thickness to warrant aerial dispersant application. Today's aerial dispersant operations did not apply the 10,000 gallons that was initially approved by the FOSC; therefore, no additional amounts of dispersants were requested.

Weather will be a significant issue tomorrow for both surface and air operations. The Sunday forecast calls for flying conditions that may negatively impact both aerial spraying and reconnaissance flights. The forecast calls for an 80% probability of rain/thunderstorms, winds of 17-29 knots out of the E-ESE, wind waves averaging over 6 feet, significant wave height over 7 feet, with maximum wave height averaging 13.5 feet, ceilings of 500 feet or less and visibility of 4-7 nm.

The NOAA Surface Oil Forecast for July 4th shows extensive areas of heavy and medium oil (Attachment 2) that are or may adversely impact the shoreline, including sensitive wetlands.

Houma Unified Command anticipates that due to the weather, if oil slicks are identified, the most viable means of response will be the use of dispersants to reduce the risk of oil land fall, since tomorrow will be the 6th straight day of no skimming or ISB activities taking place.

Prior to spray operations tomorrow morning, the spotter aircraft will identify the high value targeted slicks and we will prepare a report of the location and dispersant volumes needed for application as soon as practicable tomorrow. It is anticipated that the forecasted weather pattern will consist of low ceilings and rain/thunderstorms which will make it difficult to execute reconnaissance or dispersant spray missions.

Pursuant to a request this date from Unified Command, the following information is provided.

- Estimated size of identified dispersible oil slick targets proposed in designated zones: Today air reconnaissance flights observed oil but none of the slicks were in our opinion of sufficient thickness to warrant expenditure of dispersant, therefore no dispersant was applied on the observed slicks. Please note that we have added Attachment 6 which is a spotter report describing and depicting the typical oil structure that has been observed today.
- Explicit justification for why these targets can't be skimmed or addressed by other mechanical means: The weather is forecast to exceed the capability to skim and conduct ISB operations.

Source Skimming Assets:

2 vessels offshore not skimming, other assets in port

Non-Source Skimming Assets:

All vessels in port

ISB Assets:
A Whale

All vessels in port

Operating offshore for testing of system.

Note: With the A Whale offshore there is the potential for conflicts in both surface skimming, burning and aerial dispersant operating areas.

- Consequently, source and non-source skimming vessels as well as ISB will not be in action tomorrow.
- Today, most offshore recovery assets (skimmers, etc.) are <u>in port or at anchor due to</u> <u>inclement weather</u> and ISB operations did not take place.
- It is planned to conduct Tier 1 helicopter SMART over flights to observe dispersant operations tomorrow should they be conducted and if weather permits helicopter operations.
- M/V International Peace is currently in port waiting on better seas and weather. It is not
 anticipated that she will be operating tomorrow due to continued adverse weather
 conditions. No SMART Tier 2 or Tier 3 monitoring will be conducted.
- SMART Team Tier 1 flights on July 1 were unable to go offshore due to weather; therefore, no QA/QC reports are attached.
- No burn box is shown at this time, since the ISB fleet will be in port tomorrow.
- The A Whale operating box is shown and is subject to change.
- Forecast sea state through Sunday showing skimming and ISB limitations is provided as Attachment 5.
- **ALL RESPONSE OPERATIONS MAY BE CANCELED DUE TO WEATHER TOMORROW**

Date: 7/4/10

It should be noted, that as of today, due to the adverse weather, there has been no skimming, ISB or dispersant activities for the past five (5) days. Skimming and ISB operations are not scheduled for tomorrow.

In accordance with the Directive, the Houma Unified Command respectfully requests an exemption to apply EC9500A. As aerial dispersant is the primary response tool for tomorrow, we have mobilized the reconnaissance and deployment resources and request an initial 10,000 gallons for early opportunistic targets. This will be coupled with further reconnaissance and target identification tomorrow morning. A subsequent request will be forwarded later in the day based on the full set of spotter reports.

Sincerely,

Houma Unified Command

Exemption approved subject to the above:

James A. Watson Rear Admiral, USCG

Federal On-Scene Coordinator

Dispersant Zone Map for 3 July 2010 with Oil Targets from Spotter Operations on 2 July

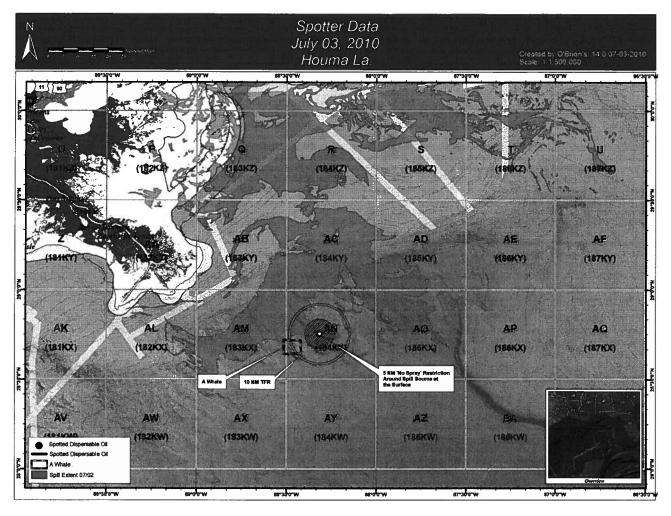


TABLE 1* Dispersible Oil Report July 3, 2010

Zone	# of slicks reported	Area in acres	Estimated percentage dispersible oil	Dispersant Needed** (1/20 DOR)
		N	Inimal Dispersible Oil Observed	
Dispersant Sprayed The requested amon An initial request for Estimated Dispersa	unt for 7/4/10 or 10,000 gals	s. is being m	sed on tomorrow mornings reconnaissance ade	

^{*}Note: Table 1 shows our intentions based upon our observations the day before these actions take place. Size and location of slicks will change. Activities within slick areas e.g., skimming operations, in-situ burning, etc., or weather conditions may require revisions to the actual operational plan implemented.

^{**}Note: Dispersant needed is based upon area in acres x % dispersible oil x 5 gallons per acre

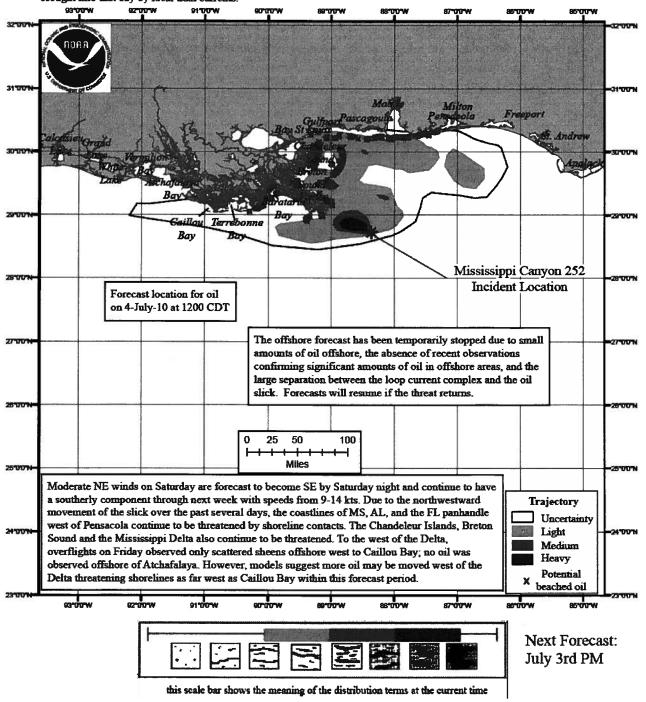
Nearshore Surface Oil Forecast Deepwater Horizon MC252

NOAA/NOS/OR&R

Nearshore

Estimate for: 1200 CDT, Sunday, 7/04/10 Date Prepared: 2100 CDT, Friday, 7/02/10

This forecast is based on the NWS spot forecast from Friday, July 2 PM. Currents were obtained from several models (NOAA Gulf of Mexico, West Florida Shelf/USF, TGLO/TAMU, NAVO/NRL) and HFR measurements. The model was initialized from Friday satellite imagery analysis (NOAA/NESDIS) and overflights. The leading edge may contain tarballs that are not readily observable from the imagery (hence not included in the model initialization). Oil near bay inlets could be brought into that bay by local tidal currents.



Attachment 3

Vessel Status Board

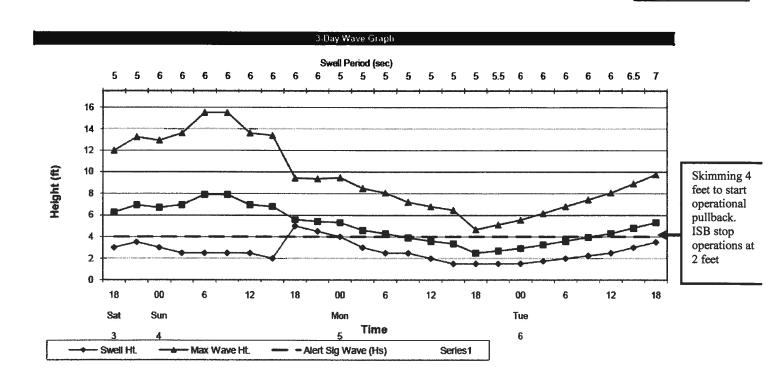
All Vessels Are Currently In Port Due To Inclement Weather And The Anticipation Is That Skimming Capacity Will Remain In Port Tomorrow

Attachment 4

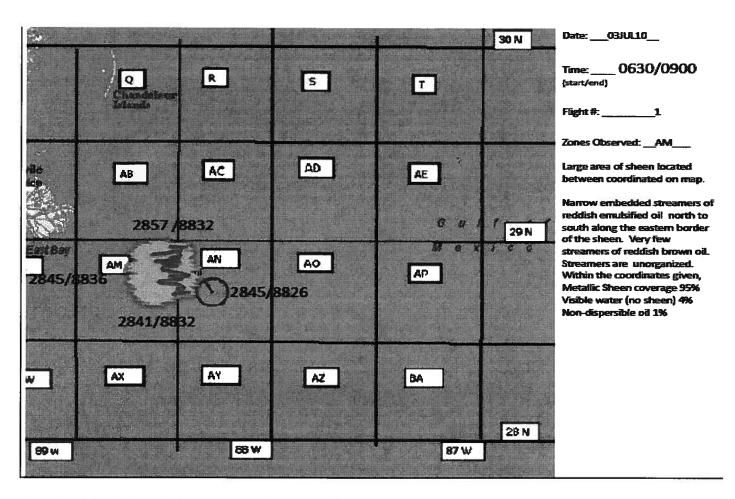
QA / QC Reports

Weather prevented SMART Flights on July 1st.

Attachment 5



Attachment 6





Emusified oil patties in Zone AL Not dispersible